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STATE FOR EAP/MLS

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SUBJECT: FUNCINPEC OUSTS RANARIDDH AS PARTY PRESIDENT

REF: PHNOM PENH 1821

Classified By: Pol/Econ Chief Margaret McKean; Reason: 1.4 (b) and (d)

11. SBU) Summary. On October 18, a hurriedly convened FUNCINPEC party congress voted to remove Prince Norodom Ranariddh as party leader in favor of Keo Puth Rasmei, a relative by marriage to the royal family and most recently the RGC Ambassador to Germany. Ranariddh, who is currently outside the country, has been given the ceremonial title of Historical President but will have no responsibilities or authority to run the party's internal affairs. Ranariddh loyalists have cried foul and indicated a possible legal challenge. Both the CPP and SRP have welcomed Ranariddh's removal. FUNCINPEC Secretary General Nhek Bun Chhay is scheduled to leave for Beijing on October 20 for a meeting with former King Norodom Sihanouk. Observers view the latest chapter in the party's internal disarray as a victory for PM Hun Sen, who has long sought to gain control over the royalist party from within FUNCINPEC's own ranks. It also obviates any possibility of a pro-democracy alliance that would have united FUNCINPEC and the SRP against the CPP in 12008. End Summary.

Ranariddh Out; Keo Puth Rasmei Appointed New Party Leader

12. (SBU) An estimated 1,500 FUNCINPEC party members convened at FUNCINPEC's party headquarters on October 18, having been hastily invited to Phnom Penh by FUNCINPEC's Secretary General Nhek Bun Chhay to discuss the upcoming

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communal council elections in April 2007. During the course of the party congress, FUNCINPEC party members voted to remove Prince Norodom Ranariddh as party leader and instead granted him the ceremonial title of Historical President. Ranariddh loyalists and critics of Nhek Bun Chhay -- such as Prince Norodom Chakrapong, Prince Norodom Sirivudh, Ok Socheat, You Hockry, Serei Kosal, and Princess Norodom Vacheahra -- were not invited and conspicuously absent from the proceedings.

13. (U) The party congress agreed that Keo Puth Rasmei, a member by marriage of the royal family and Ambassador to Germany, would take over as party leader, with Minister of Rural Development Lu Lay Sreng and former co-Minister of Defense Sisowath Sirirath as first and second vice-presidents, respectively. Nhek Bun Chhay will remain as the party's Secretary General. A number of other royal family members will also hold positions with the party's 53-member steering committee. In accepting the leadership mantle of FUNCINPEC, Rasmei promised to restore the party's ability to defend its honor and dignity. Rasmei underscored that FUNCINPEC will continue to seek cooperation with the CPP, and characterized the ruling party as FUNCINPEC's

partner over the long term.

¶4. (U) In defending the congress' actions and Ranariddh's removal as party president, Nhek Bun Chhay told reporters that a small group of party members had usurped control over the party for their own interests and endangered FUNCINPEC's integrity and reputation, thereby imperiling the party's relationship with the CPP. He personally blamed Prince Ranariddh for creating problems between FUNCINPEC and the CPP through injudicious criticism of the Cambodia-Vietnam border agreement, a proposal to return the former King to lead the government, and discussions with the SRP over possible future collaboration against the CPP. On behalf of the ruling party, CPP President Chea Sim warmly congratulated FUNCINPEC's new leadership, noting that the CPP would respect the decisions of the party congress. He renewed the CPP's desire to work in a governing coalition partnership with FUNCINPEC. Opposition party leader Sam Rainsy called the FUNCINPEC congress' decision an internal party matter, adding that this latest development would not affect his party's relations with the CPP or FUNCINPEC. Even if Ranariddh launches his own party, declared Rainsy, the SRP will not work with him as Ranariddh has frequently changed his position and is not considered trustworthy.

Ranariddh's Options

¶5. (C) On October 17, several Ranariddh loyalists contacted the Embassy as well as the UN Human Rights Office regarding alleged security threats and intimidation in advance of the October 18 congress. Pol/Econ Chief met with former FUNCINPEC Senior Minister Serei Kosal, who provided copies of the invitations sent to party members throughout the provinces, which stated that the purpose of the October 18 meeting was to formulate plans for the upcoming communal

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elections. He also provided the memo from Nhek Bun Chhay to the Prime Minister requesting police security be provided to the party congress. Serei Kosal noted that the invitation to party members did not characterize the meeting as a party congress, as only the party president (Ranariddh) is empowered by the party by-laws to convene a party congress. Yet the memo to the PM described the meeting as a party congress designed to select a new party leader.

¶6. (C) Kosal noted that he and other Ranariddh loyalists did not receive invitations and the police presence was designed to prevent them from attending the congress and protesting the gathering. He further added that FUNCINPEC members of the government had been instructed to attend the meeting and support Ranariddh's removal or else lose their jobs. Kosal said Ranariddh has several options, and may launch a court case challenging the legality of the party congress. In the aftermath of Ranariddh's removal, press reports suggest that Ranariddh is considering launching his own party. As a final resort, the Prince may seek to legally dissolve FUNCINPEC and force Nhek Bun Chhay and the others to use a different party name. Kosal lamented that Ranariddh did not remove Nhek Bun Chhay from the party earlier. He said that he and others opposed Ranariddh's decision to keep Nhek Bun Chhay within the party, when it was apparent that Nhek Bun Chhay's loyalties were to Hun Sen and the CPP was using Nhek Bun Chhay to create divisions within FUNCINPEC. Ranariddh decided that maintaining Nhek Bun Chhay within the party would appease Hun Sen and ensure that the party did not splinter, said the FUNCINPEC official. Instead, Nhek Bun Chhay has instigated a party coup and removed Ranariddh.

¶7. (C) When asked if the timing of the party congress is related to Nhek Bun Chhay's scheduled trip on October 20 to meet with former King Sihanouk in Beijing, Serei Kosal answered in the affirmative. Although the former King reportedly wants continued harmony between FUNCINPEC and the CPP, Kosal said that Nhek Bun Chhay will nevertheless seek to

reassure Sihanouk that his actions are in the best interest of the party and royal family. For that reason, there are a number of royal family members who will still have senior positions within the party. (Comment: In a separate meeting with SRP MP Keo Remy, Remy said that Keo Puth Rasmei and the other royalists who are going along with Nhek Bun Chhay are puppets. Another source who recently had dinner with Prince Norodom Sirivudh described the feeling among many royalists as somber and defeated. End Comment.)

Winners and Losers

18. (C) The biggest winner in the latest chapter of FUNCINPEC is PM Hun Sen, who has asserted his authority over FUNCINPEC and removed Ranariddh from the leadership of the royal family's own party. The CPP-inspired takeover of FUNCINPEC will preclude an anti-CPP alliance from forming in the run up to the national elections in 2008. SRP and FUNCINPEC members have said that such an alliance could be dangerous for Hun Sen not because FUNCINPEC and SRP would likely win, but that the Chea Sim faction within the CPP could use a united opposition as leverage to force Hun Sen to step down as PM in 2008 by threatening to break away and throw their support to the opposition. There have been undercurrents of dissatisfaction from some within the CPP who reportedly are unhappy over the unequal sharing of political spoils within the party. With FUNCINPEC safely within Hun Sen's pocket, the opposition will be effectively divided and the CPP will remain united as there will be no alternative for Chea Sim's group or any other disaffected portion of the party.

19. (C) Sam Rainsy is the second big winner in Ranariddh's demise as the leader of FUNCINPEC. The SRP hopes to be the recipient of FUNCINPEC members and voters seeking to defect from the party in the aftermath of the upheaval in party leadership. The SRP leader advised his MPs to vote in support of the CPP's removal of 10 FUNCINPEC government officials and replacement by Nhek Bun Chhay loyalists during an October 16 National Assembly vote. Rainsy told us that he supported the move, and alerted Hun Sen to that effect. The benefit in playing along with such a move, Rainsy explained, was that it would provide breathing space and security for the SRP to be seen as supportive of the CPP, and hurt Ranariddh and FUNCINPEC. FUNCINPEC voters will see that their party is increasingly under the CPP's thumb, he continued, and SRP will be the chief beneficiary by securing new supporters.

110. (C) The biggest losers are the members of the royal family. Ranariddh is the most immediate victim of Hun Sen's

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political victory. Even if Ranariddh returns to Cambodia to head his own party, it will split the opposition vote even further and he will amount to nothing more than a minor player. The entire royal family, however, is likely to lose over the longer term. Cambodian television station CTN journalist Soy Sopheap, who maintains personal communication with the PM, told us on October 18 that the CPP plans to resurrect an earlier draft law banning members of the royal family from participation in politics and from holding any government position. The draft law will not go forward now, said Sopheap, but the CPP intends to seek its passage before the 2008 elections. Hun Sen wants the royal family completely removed from Cambodia's political life, and prefers to relegate the royal family members to charitable work or informal work currying favor with diplomats and other donors on behalf of the RGC. The PM will provide stipends to each royal family member, based on a scale determined by their title and rank within the monarchy. But they are to have no role in any future Cambodian government, summed up Sopheap.

Comment

¶11. (C) Ranariddh has clearly been outflanked by Hun Sen and Nhek Bun Chhay, despite the Prince's late September changes to the FUNCINPEC party structure (reftel) designed to keep the FUNCINPEC Secretary General in check. The former FUNCINPEC leader has no one to blame but himself, as he allowed his lifestyle and extensive absences from the country to play into the hands of political enemies. Even FUNCINPEC loyalists opposed to Nhek Bun Chhay's cozy relationship with the CPP despaired over Ranariddh's flaccid leadership. As a result, the political playing field in Cambodia has narrowed with CPP covering most of the bases. End Comment.
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